

State-supported student loans
(HB 1849 by Cavazos/Barrientos)

DIGEST: HB 1849 would have permitted the Texas Opportunity Plan Fund, through the Hinson-Hazelwood College Student Loan Program, to make loans to students who are ineligible for federal student loans and who otherwise would not have enough money to go to college.

The bill would also have extended the maximum loan payment time from 10 to 20 years. It would have allowed the college coordinating board to collect a loan origination fee on student loans.

GOVERNOR'S
REASON
FOR VETO:

"House Bill 1849 would increase the maximum student loan payment period from 10 to 20 years for loans made by the Texas Opportunity Plan Fund through the Hinson-Hazelwood College Student Loan Program," said the governor. "A longer repayment period for these students loans is not in the public interest."

AUTHOR'S
VIEW:

Rep. Eddie Cavazos said that the governor did not know what was in the public interest and should have inquired about the reasons for the bill before the veto. Vetoing this bill will deny the opportunity for middle-income families to send their children to college in Texas. It costs a great deal to go to college today and extending the loan repayment period from 10 to 20 years would allow students and their families to repay the loan at more reasonable increments over a longer period of time.

Vetoing the bill was in the interest of the bonding industry, not the public interest, said Rep. Cavazos. "We hope the governor will open the call to this bill so it can be passed in the special session with a 10-year repayment period so that middle-income students can get college loans even if they have to pay them back over a 10-year period."

NOTES: The House Research Organization analysis of HB 1849 appeared in the May 12, 1987 Daily Floor Report.